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June 26, 2003

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TELECOPY TO: COMMISSIONER FOR PATENTS
GROUP 3621

FAX NUMBER: 703-872-9326

FROM: JOHN P. O'BANION

RE: 09/737,274

ENCLOSED PLEASE FIND THE FOLLOWING:

1. RESPONSE TO 3/26/03 OFFICE ACTION (7 PAGES PLUS CERTIFICATE OF MAILING)

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GROUP 3600

Official

#8/Response
Lowman

6-28-03

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Inventor: L. MICHAEL MARITZEN ET AL.
Serial No.: 09/737,274
Filed: DECEMBER 12, 2000
For: AUTOMATED USAGE-INDEPENDENT AND LOCATION-INDEPENDENT
AGENT-BASED INCENTIVE METHOD AND SYSTEM FOR CUSTOMER
RETENTION
Group No.: 3621
Examiner: ELISCA, PIERRE E.
Docket No.: SON5180.02A

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

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RESPONSE

GROUP 3600

Dear Sir:

In response to the Office Action mailed March 26, 2003, the Applicant respectfully requests reconsideration of this application in view of the foregoing amendments and discussion presented herein.

Official

1. Rejection of Claims Under 35 U.S.C. § 102(e).

Claims 1-8, 11-20 and 23 were rejected under 35 U.S.C. §102(e) as being anticipated by Johnson (U.S. No. 6,529,885). Of those claims, Claims 1, 11 and 15 are independent.

(a) Claims 1, 5-8, 11-20 and 23. In support of the rejection of Claims 1, 5-8, 11-20 and 23, the Examiner stated that Johnson "discloses an inventive concept of carrying out electronic transactions including electronic drafts, wherein payment on at least one of the drafts is contingent upon the removal of an associated contingency (which is equivalent to Applicant's claimed invention...)."

In response, the Applicant respectfully traverses the grounds for rejection and submits that Johnson does not disclose the invention as recited in the subject claims. More particularly, Johnson does not disclose a transaction device with a device identifier, a clearing house, and an escrow account associated with the clearing house. Therefore, the claims are not anticipated by Johnson.

Johnson discloses a system for conducting transactions over the Internet with web sellers that have a "partner relationship" with the bank. (See Col. 10, lines 44-47). A bank customer buyer establishes an account with the bank and provides identification (ID) and a password that is subsequently encrypted and stored by the bank. At the time of a transaction, the buyer is authenticated with the bank by providing ID and the appropriate password. The provided password is compared with the password stored at the bank. If the passwords match, the buyer can complete a transaction with the bank partnered seller via an electronic bank draft from the bank to the seller. (See Col. 10, Lines 7-30.)

In comparison, independent Claims 1 and 15 recite a "transaction device" with a "device identifier." The transaction device of Claim 1 is configured to couple with a "transaction terminal." Johnson does not disclose a transaction device nor a transaction device with the limitation of a "device identifier." The individual buyer is identified rather than the device as claimed in Claims 1 and 15.

Secondly, the Johnson patent does not disclose and expressly teaches away from the use of "a clearinghouse" in its system as claimed in independent Claims 1 and 11. At Col. 7, lines 62-65 of Johnson it states: "However, unlike checks, the execution, presentment and payment thereof may be carried out, according to the present

invention, in electronic form, and *without* the intermediary of *check clearinghouses* that form an integral part of negotiating a conventional 'paper' check." (emphasis added). The money transfer transaction is directly between the bank and the approved seller in the Johnson system. Accordingly, Johnson does not have a "clearing house" as claimed by the Applicant in the independent Claims 1 and 11.

Likewise, Johnson does not disclose an escrow account associated with a clearing house as claimed by the Applicant in the independent Claims 1 and 11. In the online auction example disclosed in Johnson (Col. 24), the escrow agent is associated with the seller and there is no clearing house or escrow account disclosed in the Johnson example.

Furthermore, Johnson does not suggest or provide motivation or incentive for employing a transaction device with a device identifier, a clearing house or an escrow account associated with the clearing house. In fact, as discussed above, Johnson teaches away from the use of a clearing house. Therefore, Johnson does not anticipate Applicant's invention and there is no suggestion or motivation to make any modifications to the Johnson system.

In view of the foregoing, the Applicant respectfully requests that the rejection of the Claims 1, 11 and 15, as well as the claims that depend therefrom, be withdrawn and that those claims be allowed.

(b) Claims 2, 3, 4 and 22. In support of the rejection of Claims 2, 3, 4 and 22, the Examiner states that Johnson "discloses the claimed limitations of [an] executing unit configured to automatically perform a transaction upon receiving a selected invoice or bill from a vendor that meets certain predetermined verification criterion (see col 3,

lines 9-29)..."

In response, the Applicant respectfully traverses the rejection. Claims 2, 3, 4 and 22 are patentable over Johnson for the reasons that their base claims are patentable. In addition, Johnson does not disclose an automatic recurrent transaction execution unit configured to automatically perform a transaction upon receiving a selected invoice or bill from a vendor that meets certain predetermined verification criterion as recited in Claims 2-4 or execution of a method with the function thereof as recited in Claim 22. In fact, Johnson makes no mention of an automatic recurrent transaction execution unit or its function. The section of Johnson referenced by the Examiner (Col. 3, lines 9-29) generally describes situations where contingent payments may be made. However, there is no disclosure of a recurrent transaction execution unit or of a system to provide for the payment of recurrent billings meeting certain criteria as claimed by the Applicant.

Accordingly, Johnson does not anticipate Claims 2, 3, 4 and 22, and there is no suggestion, incentive or motivation found in Johnson that would render those claims obvious.

In view of the foregoing, the Applicant respectfully requests that the rejection of the Claims 2, 3, 4 and 22, as well as the claims that depend therefrom, be withdrawn and that those claims be allowed.

2. Rejection of Claims Under 35 U.S.C. § 103(a).

Claims 9, 10 and 21 were rejected under 35 U.S.C. §103(a) as being unpatentable over Johnson (U.S. No. 6,529,885) in view of Biffar (U.S. No. 6,047,269). In support of the rejection, the Examiner stated, "Johnson fails to explicitly disclose an

Incentive unit or coupon, or digital currency. However, Biffar discloses a self-contained payment which includes a voucher at a time of transaction such as coupons (see col 5, lines 23-27)."

The Applicant respectfully traverses the rejection and submits that a person of ordinary skill in the art would not find any suggestion, motivation or incentive from the cited combination to modify the Johnson payment scheme to include alternative forms of remuneration such as vouchers or coupons taught by Biffar. The present invention and the schemes found in these patents are mutually exclusive and incompatible. Furthermore, the Applicant respectfully submits that there is nothing in the cited combination from which one of ordinary skill in the art would find it obvious to accept non-currency offers in accord with user selected criterion (Claim 8) or forms of remuneration selectable from the group consisting of physical currency, digital currency, coupons, warrants, discounts or barter items as in (Claims 9 and 21).

The Applicant incorporates by reference the arguments supporting the patentability of the base Claims 1 and 15 discussed above with respect to the Johnson reference. As discussed therein, Johnson does not teach, among other things, a transaction device with a device identifier, a clearing house or an escrow account associated with the clearing house. Nor are those elements taught by Biffar. Accordingly, the combination recited by the Examiner lacks the limitations of the Applicant's claims and, therefore, a *prima facie* case of obviousness is not established because the combination does not produce the claimed invention.

Furthermore, there is no suggestion, motivation or incentive that can be derived from the cited combination to either (i) combine the Johnson payment system with the

payment system of Biffar or (ii) modify the combination to arrive at the invention recited in the Claims 9, 10 and 12.

Biffar discloses a digital "voucher" that contains a transaction history and a self-contained payment system. (See Col. 3, lines 20-25.) The user can fund the voucher from a bank account or credit account and then the voucher is circulated by the buyer to sellers within the system and back to the funding bank etc. In addition, at Col. 5, lines 25-28 of Biffar it generally states that an electronic "coupon" could be added to the digital voucher. Funds are transferred from the bank of the pre-approved buyer to the participating seller via a voucher.

The Applicant submits that there is no suggestion, motivation or incentive to combine the digital coupon coupled with a digital voucher of Biffar with the pre-approval system of Johnson because each system generally accomplishes the same thing, namely providing approved buyers to participating sellers and transferring funds from a bank to a participating seller. The two systems are mutually exclusive. Either the funds are transferred directly to the approved seller as in Johnson or indirectly through a voucher as in Biffar.

Accordingly, there is no motivation, suggestion or incentive to substitute the buyer pre-approval system of Johnson with the voucher and coupon of Biffar because to do so would make the Johnson system cease to function as intended. "If the proposed combination would render the reference invention unsatisfactory for its intended purpose, then there is no motivation to make the combination and a *prima facie* case of obviousness is not established." In re Gordon, 733 F.2d 900, 220 USPQ 1125 (Fed.Cir.1984).

Accordingly, Claims 9, 10 and 21 are patentable over the references cited by the Examiner for purposes of 35 U.S.C. § 103. Applicant respectfully requests that the rejection of these claims be withdrawn.

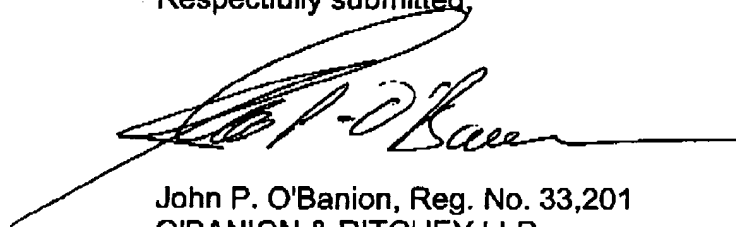
3. Conclusion.

In view of the above, each of the presently pending claims in this application is believed to be in immediate condition for allowance. Accordingly, the Examiner is respectfully requested to withdraw the outstanding rejection of the claims and to pass this application to issue.

The Applicant also respectfully requests a telephone interview with the Examiner in the event that there are questions regarding this response, or if the next action on the merits is not an allowance of all pending claims.

Date: 6/26/03

Respectfully submitted,

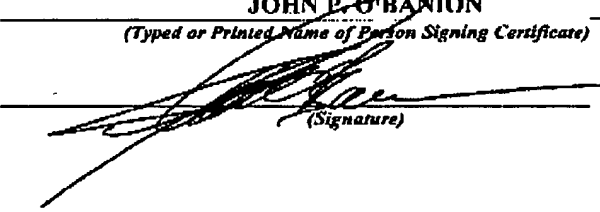


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PATENT TRADEMARK OFFICE

CERTIFICATE OF TRANSMISSION BY FACSIMILE (37 CFR 1.8)			Docket No. SON5180.02A
Applicant(s):			
Serial No. 09/737,274	Filing Date 12/12/2000	Examiner ELISC, PIERRE E.	Group Art Unit 3621
Invention: AUTOMATED USAGE-INDEPENDENT AND LOCATION INDEPENDENT AGENT-BASED INCENTIVE METHOD AND SYSTEM FOR CUSTOMER RETENTION			
<p>I hereby certify that this <u>RESPONSE (PAGES 1-7)</u> <i>(Identify type of correspondence)</i></p> <p>is being facsimile transmitted to the United States Patent and Trademark Office (Fax. No. <u>703-872-9326</u>)</p> <p>on <u>26 JUNE 2003</u> <i>(Date)</i></p> <p><u>JOHN P. O'BANION</u> <i>(Typed or Printed Name of Person Signing Certificate)</i></p> <p><u></u> <i>(Signature)</i></p> <p>Note: Each paper must have its own certificate of mailing.</p>			